

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: U S MAIL ETC, INC.
9250 Reseda Blvd., #2B
Northridge, CA 91324

CITATIONS
AND
DESIST AND REFRAIN ORDER
(Pursuant to California Financial Code sections 23050 and 23058)
ORDER VOIDING DEFERRED DEPOSIT TRANSACTIONS
(Pursuant to California Financial Code Section 23060)

The California Corporations Commissioner finds that:

1. U S Mail Etc, Inc. hereinafter “Licensee” is, and was at all relevant times herein, a corporation authorized to conduct business in California with its principal place of business located at 9250 Reseda Blvd., #2B, Northridge, CA 91324.

2. On or about September 6, 2006, Licensee obtained a license from the California Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit transactions at 9250 Reseda Blvd., #2B, Northridge, CA 91324.

3. An examination of Licensee conducted by the Commissioner on February 5, 2008 at 9250 Reseda Blvd., #2B, Northridge, CA 91324 disclosed the following violations:

Citation A. Licensee failed to include Department’s toll free number, which is 1-(866) Ask Corp (275-2677), in the Notice required to be provided to customers prior to entering into deferred deposit transactions in violation of Financial Code section 23035 (c) (4).

Citation B. Licensee failed to meet the minimum net worth requirement of \$25,000 as of December 31, 2007 in violation of Financial Code section 23007.

Citation C. Licensee entered into three deferred deposit transactions totaling \$900 with three customers during the period those three customers had three existing deferred deposit transactions totaling \$900 in effect in violation of Financial Code section 23036 (c).

Pursuant to California Financial Code section 23058, Licensee is hereby ordered to pay to the Commissioner an administrative penalty in the total amount of \$6,500 for the following Citation within 30 days from the date of this citation.

Citation A. \$1,500

Citation B. \$2,500

Citation C. \$2,500

Pursuant to California Financial Code section 23050, Licensee is hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions in the State of California in violation of the above referenced section.

The Citations and Desist and Refrain Order are necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Deferred Deposit Transaction Law. The Citations and Desist and Refrain Order shall remain in full force and effect until further order of the Commissioner.

The Citations and Desist and Refrain Order are separate from any further action that may include other administrative, civil or criminal remedies that the Commissioner may take based upon the violations of law cited herein or otherwise.

California Financial Code section 23058 provides, in relevant part:

(a) If, upon inspection, examination or investigation, based upon a complaint or otherwise, the department has cause to believe that a person is engaged in the business of deferred deposit transactions without a license, . . . the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain . . . an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500)
. . .

(c) If within 30 days from the receipt of the citation of the person cited fails to notify the department that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.

(d) Any hearing held under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code

1 California Financial Code section 23050 provides:

2 Whenever, in the opinion of the commissioner, any person is engaged in the
3 business of deferred deposit transactions, as defined in this division, without
4 a license from the commissioner, or any licensee is violating any provision
5 of this division, the commissioner may order that person or licensee to desist
6 and to refrain from engaging in the business or further violating this division.
7 If, within 30 days, after the order is served, a written request for a hearing is
8 filed and no hearing is held within 30 days thereafter, the order is rescinded.

9 **ORDER VOIDING DEFERRED DEPOSIT TRANSACTIONS**

10 Licensee willfully violated California Financial Code section 23038 by making three
11 deferred deposits totaling \$900 to three customers during the period those three customers had three
12 existing deferred deposit transactions totaling \$900 in effect in violation of Financial Code section
13 23036 (c). California Financial Code section 23060 states:

14 (a) If any amount other than, or in excess of, the charges or fees permitted by this
15 division is willfully charged, contracted for, or received, a deferred deposit
16 transaction contract shall be void, and no person shall have any right to collect or
17 receive the principal amount provided in the deferred deposit transaction, any
18 charges, or fees in connection with the transaction.

19 (b) If any provision of this division is willfully violated in the making or collection of
20 a deferred deposit transaction, the deferred deposit transaction contract shall be void,
21 and no person shall have any right to collect or receive any amount provided in the
22 deferred deposit transaction, any charges, or fees in connection with the transaction.

23 Pursuant to Financial Code section 23060, subdivision (b), three of the above described
24 deferred deposit transactions totaling at least \$900 shall be declared void, and no person shall have
25 any right to collect or receive any amount provided in the deferred deposit transaction or any charges
26 or fees in connection with these consumer transactions and is hereby ordered to immediately return
27 any amount and all charges and fees received for these transactions.

28 The request for a hearing may be made by delivering or mailing a written request to:

Steven Thompson
Special Administrator
California Deferred Deposit Transaction Law
Department of Corporations
320 West 4th Street, Ste. 750
Los Angeles, California 90013-2344
(213) 576-7610

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: June 6, 2008
Los Angeles, CA

PRESTON DUFAUCHARD
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator
California Deferred Deposit Transaction Law